

~~CONFIDENTIAL~~

OGC Has Reviewed

MEMORANDUM

18 December 1946

TO : Office of General Counsel

ATT : Mr. Houston

FROM : Chief, Special Funds

Current government travel regulations and allowable per diem are creating personal hardships in the part of Federal employees. In connection therewith but not resultant thereof, a proposed policy has been drafted which under given conditions will permit the treatment of hotel room rentals as official expense for which the employee would be reimbursed directly, rather than by per diem. This proposed policy has been forwarded to the ADSO, and a copy thereof is attached.

In connection therewith, it is desired to call to your attention two situations requiring immediate action.

First of these is the situation brought about by the issuance of CIG [REDACTED] subject: Travel Allowances and Per Diem. Your attention is called to paragraph 2 in which the following statement appears.

"Therefore, the per diem allowance described in Appendix 1 of paragraph 45, which Appendix is attached to Bureau of the Budget Circular A-7, may be authorized by the persons to whom authority to issue travel orders has been granted. Such persons include Chiefs of Missions, Executive for Personnel and Administration, Chief, Finance Division, and Chief, Fiscal Section".

This limitation on the persons authorized to issue travel orders and therefore per diem is not in conformity with actual S.O. administrative and operating procedures. In the first place, conformity with the outlined procedure for obtaining authorization would constitute a violation of SO security requirements in that covert or semi-covert personnel whose travel is authorized by SO do not and should not obtain authority for travel from persons not connected with the Office of Special Operations. Whereas

25X1A

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

"Chiefs of Missions" adequately provides for the overseas authorization for the travel of SO personnel, domestic travel and the initial travel of persons from the United States to foreign stations is not properly provided for.

25X1A

It is indicated therefor, that either the SO internal procedures must be altered to conform with CIG [REDACTED], or that said Order must be rescinded and revised to actual or contemplated SO procedures.

25X1A

25X1A

In addition, CIG [REDACTED] should possibly be modified if changes in policy such as outlined in the attached memorandum regarding the rental of quarters are to be effected, and if such change in policy involves CIG as opposed to merely SO.

The second matter in its entirety is of urgent nature. The New York Security Project recently established following the termination of the security investigative contract is operating on the assumption that agents engaged in out-of-town investigative work are reimbursed for actual expenses including hotel quarters, transportation costs and meals. It has recently been disclosed that contrary to the termination of the contract, this policy was not in effect and it has been carried over even though the Agents are now CIG employees. Without question, this policy is improper and must be corrected immediately. However, there are certain "trade" practices in connection with investigative work and other reasons which might preclude strict conformity with government travel regulations. The proposed change in policy regarding the rental of rooms for official quarters might be the solution to the problem basically, but again the situation cannot be clarified pending adoption of some such policy. It is requested that all these matters be taken under advisement immediately for the purpose of establishing a correct, acceptable policy.

The apparent breach of contract referred to above will be discussed in a separate memorandum.

25X1A

Attachment

[REDACTED]
Chief, Special Funds

~~CONFIDENTIAL~~